

Department of Insurance Announces 2020 Year-End Data

*Insurance Commissioner Trinidad Navarro highlights successes,
resilience*

The Delaware Department of Insurance published today a series of statistics outlining performance and productivity during 2020. These metrics show successes notwithstanding the pandemic and operational changes such as working remotely. These data have been shared visually in the [Department of Insurance 2020 Year in Review infographic](#).

“Despite facing challenges including COVID-19 and natural disasters, our team showed resolve and resilience in serving residents over the past year. From conducting our first ever Mental Health Parity examinations, to returning \$21.5 million in health premiums to residents and small businesses, to responding to thousands of consumer inquiries and complaints, the challenges of 2020 did not slow us down,” said **Commissioner Navarro**. “I couldn’t be prouder to lead a department that makes a difference every day.”

As COVID-19 arrived in Delaware, the department acted swiftly to ensure cost did not hinder residents seeking testing or care and prepared for the eventual vaccine. Over several months, the department kept in frequent contact with both insurers and healthcare providers, supporting the Governor and General Assembly in efforts to increase access to telemedicine and working with the Governor’s office on a temporary moratorium on policy cancellations as the economy adjusted. With the pandemic came increased scam attempts, and as chair of the National Anti-Fraud Task Force, Commissioner Navarro helped identify national trends in these efforts, while also serving on the Coronavirus Anti-Fraud Coalition locally. Throughout the year, the department’s fraud unit took on 545

cases, and joined the Healthcare Fraud Prevention Partnership.

Voices for change sang loud throughout 2020, and the department joined them, participating in the NAIC Special Session on Race and Diversity in the Insurance Sector, and the Special Executive Committee on Race and Insurance. In this group, regulators from across the nation are examining diversity and inclusion within the industry, engaging with stakeholders on these issues and how they impact access to the industry and insurance products, and analyzing the sector to find and correct processes that would disadvantage people of color either directly or by proxy.

In August, Delaware experienced multiple catastrophic storms. Tornadoes ravaged communities and homes, and the department arrived in those neighborhoods shortly after to talk to residents and assure them that assistance would be provided. 7,125 total claims were filed as a result of the estimated \$10 million in damages caused by these events.

Throughout the year, the department's Consumer Services Division managed 3,630 complaints, recovering \$941,104 for residents. When the department could not solve claim complaints through contact with insurers, the arbitration team helped residents earn fairer settlements without having to go to court. 302 settlements put a total of \$702,000 in the pockets of policyholders.

The Delaware Medicare Assistance Bureau (DMAB), which provides Medicare beneficiaries counseling and assistance with plan selection, enrollment, and any Medicare issues, quickly implemented virtual meeting options and held 24 total outreach education events. DMAB provided 5,118 one-on-one counseling sessions to residents, an increase over 2019 despite the lack of in-person events and meetings. The work of this team in assisting with the selection of plans saved beneficiaries \$286,956 in premium costs.

While DMAB worked with Medicare beneficiaries, the department worked to decrease the cost of care for all residents while increasing accessibility, including through long-term efforts like regulating Pharmacy Benefit Managers and standing up the Office of Value-Based Care. Partly as a result of successes in creating affordability, \$21.5 million was returned to health insurance marketplace policyholders and participating small businesses, as the insurer's Medical Loss Ratio calculation showed they were spending less on health claims. For the second straight year, the department approved a decrease to Health Insurance Marketplace rates, and ultimately saw a 5% increase in 2021 plan enrollment.

In 2020, the department completed the state's first Mental Health Parity exams. Thousands of violations were uncovered, resulting in \$597,000 in fines as insurers worked to correct issues and create a less discriminatory environment in the future. In total, the Market Conduct Division completed 12 exams and one multi-state exam. Insurers were fined a total of \$1.1 million, the most in recent years.

Commissioner Navarro's approval of a rate decrease in Workers' Compensation saved Delaware employers \$4 million throughout the year. This fall, he confirmed the fourth consecutive decrease in rates, which will be an 11.56% decrease in 2021 loss costs and an 8.8% decrease in the residual market. Increasing safety in the workplace decreases accidents and helps these costs stay low, and the Workplace Safety Program engaged 1,083 participating companies, earning a total safety credit of \$7 million on their combined total premium of nearly \$66 million.

After being named a finalist for the International Captive Insurance Domicile of the Year, the Captive Division licensed 70 new captives in 2020, including 67 conditional licenses. To date, no other state has released data to indicate they licensed more captives than Delaware last year. The work of the captive division reduced taxpayer burden by contributing

\$1 million to the City of Wilmington and \$2.9 million to the State of Delaware General Fund in Fiscal Year 2020.

The department licensed a total of 220,977 professionals, 37,885 whose licenses were processed by the department over the last year. The rates and forms team reviewed a total of 1,251 rates, forms, and advertisements related to life and health insurance, and 27,258 property and casualty submissions. Through the department's participation in the National Association of Insurance Commissioner's Life Policy Locator, \$1.45 million was found and returned to beneficiaries.

The department's milestone year began with an in-depth, months-long process of accreditation with the National Association of Insurance Commissioners (NAIC) inside the Bureau of Examination, Rehabilitation and Guaranty (BERG) and the department as a whole. While undergoing the arduous accreditation process, BERG also conducted 55 financial examinations of companies in 2020, with 56 exams currently in progress.

"Each year, people ask me what my priority will be," said **Commissioner Navarro**. "But my answer is always the same: the residents of Delaware. We will continue to prioritize consumers each and every day, and we are proud to show such strong results after a challenging year."

[Department of Insurance 2020 Year in Review infographic](#)